P R 161738Z MAY 08 FM SECSTATE WASHDC TO AMEMBASSY KYIV PRIORITY INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE AMEMBASSY NEW DELHI

S E C R E T STATE 052312

E.O. 12958: DECL: 05/16/2033

TAGS: ETTC PARM PREL MTCRE MNUC UP IN

SUBJECT: (S) REQUESTING THAT THE GOU PROVIDE ADDITIONAL INFORMATION ON PROPOSED ROCKET ENGINE COOPERATION BETWEEN YUZHNOYE AND ISRO TO MTCR PARTNERS

REF: A. 04 STATE 193523

1B. 04 KIEV 3675

1C. 05 STATE 50864

1D. 05 STATE 56472

1E. 05 KIEV 2929

1F. 06 STATE 37471

1G. 06 STATE 201746

1H. 07 STATE 40971

1I. 07 STATE 106058

1J. 07 KYIV 2245

1K. 07 STATE 135358

1L. 07 KYIV 2490

1M. STATE 34695

1N. MTCR POC 014 - FEB 2008

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS 1.5 (B), (C), AND (D).

- $\P 1$ . (U) This is an action request. Embassy Kyiv please see paragraph 5.
- (S//REL UKRAINE) Background: Since September 2004, the United States has discussed with Ukrainian authorities information indicating that the Ukrainian firm Yuzhnoye - a company with expertise in missile and space launch vehicle (SLV) design - was planning to assist the Indian Space Research Organization (ISRO) in developing a liquid oxygen-kerosene (LOX-kerosene) rocket engine (Refs). We noted that this type of engine would almost certainly be a Missile Technology Control Regime (MTCR) Category I item and that such a transfer would directly support India's development of Category I systems that are inherently capable of WMD delivery. Moreover, as an MTCR Partner, Ukraine is committed under the MTCR Guidelines to apply a strong presumption of denial, regardless of the purpose of the export, to all exports of Category I items and to notify the MTCR Partners in advance of its intention to approve a license for any Category I transfer to non-Partners such as India.
- 13. (S//REL UKRAINE) At the February 2008 U.S.-Ukraine Nonproliferation talks in Washington, we reiterated our view that this cooperation with India is problematic, noting that the provision of such technology to India is inconsistent with the MTCR's efforts to encourage missile restraint in regions of tension, undermines nonproliferation norms, and sets a bad precedent (Ref M). Our GOU interlocutors said that Ukraine had not yet approved the contract for this cooperation, but that Ukraine had done all that was required by the MTCR Guidelines. We asked for more information on the status of the contract between Yuzhnoye and ISRO, for details on the cooperation envisioned between the two firms, and for confirmation that Ukraine had sent information to the MTCR POC in Paris on Ukraine's intent to transfer a Category I system to a non-MTCR country.
- $\P4$ . (S//REL UKRAINE) Subsequent to the nonproliferation talks, we received a copy of Ukraine's Category I notification to the MTCR POC in Paris (Ref N).

However, the notification does not provide any details on the type of cooperation Ukraine intends to engage in with India. It also does not include an explanation of how the sale is justified in terms of the nonproliferation factors specified in the MTCR Guidelines. (Note: We are providing a copy of this notification to post via e-mail. End note.)

- 15. (S) Action Request: Department requests Embassy Kyiv approach appropriate host government officials and drawing from the information in paragraphs two through four urge the GOU to provide detailed information to the MTCR Partners via the MTCR Point of Contact in Paris on the proposed Yuzhnoye ISRO rocket cooperation, i.e., specific item(s) to be transferred and specific end-use. Post should also request that the GOU provide to the MTCR Partners a detailed explanation of how the cooperation is justified in terms of the six nonproliferation factors specified in the Guidelines. The GOU's provision of this information will promote transparency and give MTCR Partners the data they need to provide feedback to Ukraine.
- 16. (U) Please slug any reporting on this or other missile nonproliferation issues for ISN/MTR and EUR/PRA. Department point of contact is John Paul Herrmann, ISN/MTR, 202-647-1430 (herrmannjp@state.sgov.gov). RICE

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End Cable Text